



Texas Department of Insurance, Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Requestor's Name and Address: TROPHY CLUB MEDICAL CENTER 2850 EAST STATE HIGHWAY 114 TROPHY CLUB TX 76262	MFDR Tracking #: M4-10-1654-01 DWC Claim #: Injured Employee:
Respondent Name and Box #: EAST TEXAS EDUCATIONAL INSURANCE ASSOCIATION Rep Box #: 11	Date of Injury: Employer Name: Insurance Carrier #:

PART II: REQUESTOR'S POSITION SUMMARY

Requestor's Rationale for Increased Reimbursement Taken from the Table of Disputed Services: "Not paid at 200% APC Sent appeal 09/04/09 based on MAR guidelines Carrier upheld original payment decision."

Amount in Dispute: \$2,957.88

PART III: RESPONDENT'S POSITION SUMMARY

The Respondent did not submit a response to the DWC 60.

PART IV: SUMMARY OF FINDINGS

Date(s) of Service	Services in Dispute	Calculation	Amount in Dispute	Amount Due
05/06/09	Hospital Outpatient Surgical Services	\$7,300.03 (APC + Outlier) x 200% = \$14,600.06 - \$11,615.68 (Paid by Respondent) = \$2,984.38	\$2,957.88	\$2,984.38
Total Due:				\$2,984.38

PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

Texas Labor Code Section 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division Rule §134.403, titled **Hospital Facility Fee Guideline – Outpatient**, effective for medical services provided on or after March 1, 2008, set out the reimbursement guidelines for Hospital outpatient services.

This dispute was filed in the form and manner as prescribed by 28 TAC §133.307 and meets the requirements for medical dispute resolution under 28 TAC §133.305 (a)(4).

1. The disputed services were denied or reduced by the insurance carrier based upon:

Explanation of benefits dated 07/29/09 noted claim reduction codes:

- 0222 — Charge exceeds Fee Schedule allowance.
- 00W1-W1 — Workers Compensation State Fee Schedule Adjustment.
- 0788 — Significant procedure, Multiple procedure reduction applies.
- 0330 — CCI Comprehensive/Component Procedures.
- 0097 97 — The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
- 0881 — This item is an integral part of an emergency room visit or surgical procedure and is therefore included in the reimbursement for the facility/APC rate.

- 0785 — Items and/or services are packaged into APC rate. Therefore there is no separate APC payment.
- 0176 — Modifier 27/TC represents the technical component of service performed.

Explanation of benefits dated 10/08/09 noted claim reduction code:

- Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

- Division rule at 28 TAC §134.403 (e) states in pertinent part, "Regardless of billed amount, reimbursement shall be:
 - (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code 413.011; or
 - (2) if no contracted fee schedule exists that complies with Labor Code 413.011, the maximum allowable reimbursement (MAR) amount under subsection (f), including any applicable outlier payment amounts and reimbursement for implantables."
- Pursuant to Division rule at 28 TAC §134.403(f), "The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied.
 - (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
 - (A) 200 percent; unless
 - (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent."
- Upon review of the documentation submitted by the requestor and respondent, the Division finds that:
 - (1) No documentation was found to support a contractual agreement between the parties to this dispute;
 - (2) MAR can be established for these services; and
 - (3) Separate reimbursement for implantables was *NOT* requested by the requestor.
- Under the Medicare Outpatient Prospective Payment System (OPPS), all services paid under OPPS are classified into groups called Ambulatory Payment Classifications or APCs. Services in each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC for an encounter. Within each APC, payment for ancillary and supportive items and services is packaged into payment for the primary independent service. Separate payments are not made for a packaged service, which is considered an integral part of another service that is paid under OPPS. An OPPS payment status indicator is assigned to every HCPCS code. Status codes are proposed and finalized by Medicare periodically. The status indicator for each HCPCS codes is shown in OPPS Addendum B which is publicly available through the Centers for Medicare and Medicaid services. A full list of status indicators and their definitions is published in Addendum D1 of the OPPS proposed and final rules each year which is also publicly available through the Centers for Medicare and Medicaid services.
- Consequently, reimbursement will be calculated in accordance with Rule §134.403 (f)(1)(A) as follows:

APC	Outlier Amount	Separate Reimbursement for implantables WAS NOT requested under Rule §134.403	APC + Outlier Amount X 200%	Fee Schedule (CMS + DWC conversion factor)	Subtract Amount Paid by Respondent	Results in additional Amt Due to Requestor
\$7,300.03	\$0.00	\$0.00	\$14,600.06	\$14,600.06	\$11,615.86	\$2,984.38

Based upon the documentation submitted by the parties and in accordance with Texas Labor Code Sec. 413.031 (c), the Division concludes that the requestor has established that additional payment is due. As a result, the amount ordered is \$2,984.38.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES

Texas Labor Code Sec. §413.011(a-d), §413.031 and §413.0311
28 TAC Rule §134.403, §133.307 and §133.305

PART VII: ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031 and §413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby **ORDERS** the respondent to remit to the requestor the amount of \$2,984.38 plus applicable accrued interest per Division rule at 28 Tex. Admin. Code §134.130, due within 30 days of receipt of this Order.

September 21, 2010

Authorized Signature

Medical Fee Dispute Resolution Officer

Date

PART VIII: YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.